Public reporting of physicians' financial relationships: Recommendations

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Background

- Financial relationships between physicians and drug/device manufacturers are pervasive
- Industry-physician ties have benefits and risks
- Efforts by private sector and government to regulate relationships
- 5 states and DC require manufacturers to publicly report payments to physicians

Advantages of national database on physician-industry relationships

- Could discourage inappropriate financial arrangements
- Media/researchers could shed light on relationships
- Payers and plans could examine whether industry ties affect physicians' practice patterns
- Academic medical centers could verify financial interests of researchers
- Hospitals could check whether physicians involved in purchasing decisions have financial ties

Costs and limitations of national database on physician-industry relationships

- Compliance costs for manufacturers
- Administrative costs for government
- Might discourage beneficial arrangements
- Would not eliminate conflicts of interest
- Information may be of limited use to patients

Design features for public reporting law

- Manufacturers should report payments if total annual value of payments to a recipient exceeds $100
- *Should report*: Gifts, food, entertainment, travel, honoraria, research, funding for education and conferences, consulting fees, investment interests, and royalties
- *Should not report*: Discounts, rebates, and product samples for patient use

Design features for public reporting law (cont.)

- Companies should report
  - Value, type, date of each payment;
  - Name, specialty, Medicare billing number (if applicable), address of each recipient; and
  - Name of related drug/device
  - Medicare billing numbers would be available only to researchers through data use agreements
- May delay reporting of payments related to clinical trial until trial is registered on NIH website
- May delay reporting of other payments related to development of new product until FDA approval, but no later than 2 years after payment made

Design features for public reporting law (cont.)

- Federal law should preempt state laws that collect data on same types of payments and recipients
- Secretary should have authority to assess civil penalties on manufacturers
- Secretary should monitor impact of law on potentially beneficial arrangements

Drug samples

- Industry provided free samples worth $18.4 billion in 2005 (Donahue et al. 2007)
- Benefits of samples to patients
  - May allow patients to start treatments sooner
  - Can test effectiveness of different drugs
  - Source of medication for those without insurance
- But samples may lead to use of more expensive drugs and influence prescribing decisions
- Better data on samples would help researchers examine their impact

Drug manufacturers are required to track samples

- PDMA requires manufacturers to keep inventory of samples distributed by detailers to practitioners and pharmacies
- Inventory includes
  - Name and address of practitioner who signs for delivery
  - Drug's name, dosage, quantity
- Although government can request inventories, companies not required to submit them on a regular basis

Could companies' inventories of samples be useful for research?

- Linking data on samples to claims could enable researchers to examine impact of samples on prescribing behavior and drug spending
- Would need to obtain names and billing numbers of physicians in practice
- Difficult to examine use of samples by individual physicians
- Could analyze samples at practice or geographic level

Disclosing information on physician ownership of Medicare providers

- Patients receive information on physician ownership of hospitals and ASCs
- Difficult for payers and researchers to obtain information on ownership of hospitals and other providers
  - Important to understand how financial ties affect referrals, quality, and costs

Disclosure of other physician-hospital financial relationships

- Increase in financial arrangements between hospitals and physicians
  - Concern that some arrangements might increase volume without improving quality and coordination
- Could require hospitals to publicly report additional financial relationships (e.g., employment, leases)
  - Need to balance transparency with administrative burden on hospitals
  - May be prudent to wait for review of information collected on the Disclosure of Financial Relationships Report (DFRR)

Disclosure of Financial Relationships Report (DFRR)

- DFRR may be required of up to 500 hospitals
  - 290 are hospitals that did not respond to an earlier survey on physician relationships with hospitals
  - Up to 210 additional hospitals could be in the sample
- A report on physician-hospital financial arrangements (based on the DFRR) could inform future decisions on what types of relationships hospitals should publicly report